[8th March 1934

APPENDIX IV.

[Vide item VI—at page 583 supra.]

BILL No. 7 OF 1934.

A Bill to amend the Madras Local Authorities Entertainments Tax Act, 1926, for certain purposes.

WHEREAS it is expedient to amend the Madras Local Authorities Entertainments Tax Act, 1926, for the purposes hereinafter appearing ; Madras Act V of 1927.

It is hereby enacted as follows :—

Short title. 1. This Act may be called the Madras Local Authorities Entertainments Tax (Amendment) Act, 1934.

Amendment of section 3, Madras Act V of 1927. 2. In sub-section (5) of section 3 of the Madras Local Authorities Entertainments Tax Act, 1926—

(i) after the words "substantial portion of the income is derived," the words "or is likely to be derived" shall be inserted ; and

(ii) after the existing proviso, the following proviso shall be added, namely :—

"Provided further that in cases of urgency, an application under this sub-section may be made on behalf of the local authority concerned, by the Commissioner in the case of the Corporation of Madras, by the executive authority in the case of any other municipality and by the president in the case of a local board. A report of such application having been made shall be made to the local authority at its next meeting."

STATEMENT OF OBJECTS AND REASONS.

Under sub-section (5) of section 3 of the Madras Local Authorities Entertainments Tax Act, 1926 (Madras Act V of 1927), which relates to the levy of entertainments tax in areas situated within the limits of one local authority but within five miles of the limits of another local authority, on the application of the latter authority two essential conditions have to be satisfied, namely :—

(1) there should be an application from the latter local authority in respect of each individual place of entertainment; and (2) the Local Government have to be satisfied that a

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substantial portion of the income is derived from the area of that local authority. For complying with the first condition, it is necessary that the local authority concerned should meet and decide in each case whether an application should be made or not ; and it is not easy to fulfil either this condition or the second condition where the entertainment lasts only for a short period. It is therefore considered desirable to amend sub-section (5) of section 3 of the Act so as to provide (*a*) for the Local Government sanctioning the levy of the tax after satisfying themselves that a substantial portion of the income is likely to be derived from the local area concerned and (*b*) for the executive authority of the local authority concerned making an application on its behalf in cases of urgency.

FORT ST. GEORGE,
27th January 1934. RAJA OF BOBBILI.

TRUTH ALONE TRIUMPHS